



Ethics News

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From the Director

The Holiday Season is upon us and we would like to take this opportunity to remind state personnel of the ethics rules regarding gifts that apply to state employees, special state appointees, and persons who have a business relationship with a state agency.

While those who work in the private sector may give gifts to business associates during the Holiday Season, please be aware that state employees and special state appointees have a duty to abide by the 'Gift Rule' in the Indiana Code of Ethics, which generally prohibits state employees and special state appointees from soliciting, accepting, or receiving any: (1) gift; (2) favor; (3) service; (4) entertainment; (5) food; (6) drink; (7) travel expenses; or (8) registration fees; from a person who has a business relationship with the employee's or special state appointee's agency or is seeking to influence an action by the employee or special state appointee in his or her official capacity.

There are limited exceptions to the Gift Rule, but the baseline ethical standard is that state employees and special state appointees, as well as their spouses and unemancipated children, shall not solicit, accept, or receive gifts from persons who have a business relationship with the employee's or appointee's agency, or from persons who may be seeking to influence the employee or appointee in their official capacity.

The Indiana Code of Ethics also includes what is known as the 'Donor Restriction Rule.' This rule prohibits a person who has a business relationship with an employee's or special state appointee's agency from providing any gift, favor, service, entertainment, food, drink, travel expenses or registration fees to the employee or appointee, if the employee or appointee would not be permitted to accept the item under the Gift Rule.

Please review the Frequently Asked Questions section in this newsletter for more detailed guidance about the state ethics rules pertaining to gifts. If you have any questions about any of the state ethics rules, please contact your Agency Ethics Officer or an Ethics Commission staff member for clarification. [Click here](#) to obtain contact information for your Agency Ethics Officer. You may also submit an ethics question online to the Ethics Commission staff at the following Web site: [<http://www.in.gov/ethics/advice.html>](http://www.in.gov/ethics/advice.html).

Thank you for ensuring that your public service conforms to the ethics rules provided in the Indiana Code of Ethics. The staff of the Ethics Commission wishes you a joyous Holiday Season and a prosperous New Year!

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Frequently Asked Questions

Q. What is considered a “business relationship” under the Gift Rule?

A. [Indiana Code 4-2-6-1\(a\)\(5\)](#) defines “business relationship” as the following::

(A) Dealings of a person with an agency seeking, obtaining, establishing, maintaining, or implementing:

- (i) a pecuniary interest in a contract or purchase with the agency; or
- (ii) a license or permit requiring the exercise of judgment or discretion by the agency.

(B) The relationship a lobbyist has with an agency.

(C) The relationship an unregistered lobbyist has with an agency.

When dealing with agency vendors and contractors, please note that these persons are considered to have a business relationship with your agency. It is also important to note that a person who is seeking a state contract is considered to have a business relationship with your agency just the same as a person who already has a contract.

Q. What if I receive an unsolicited gift that I cannot accept? What should I do with it?

A. You should return the item to the donor with a note advising the donor of the general prohibition under the State’s Gift Rule that prevents you from accepting the gift. You may also ask the donor to come by your office to retrieve the gift. If you have any questions about whether you may accept a gift or how you should respond to a gift’s donor, contact your Ethics Officer or the Ethics Commission staff for help.

Q. What if the gift is perishable and the donor does not want to take back the gift?

A. Perishable items may be given to a charity, nursing home, or like organization. In giving the gift away, state personnel should not represent the item as a gift on behalf of the agency. You should explain your inability to accept the gift due to state ethics rules. You should also send the donor a note advising the person of the general prohibition under the Gift Rule and requesting that future gifts not be sent.

Q. A local radio station has a weekly call-in contest in which the prize is a free luncheon for up to 25 office employees. I would like to try and win the contest for our office. Is this okay?

A. As long as you participate in the call-in on your own time (i.e., your lunch hour and before or after work) and the radio station does not have a business relationship with your agency, you may try to win the contest. If you were to win the free luncheon, all participating employees would have to enjoy the luncheon on their own time.

Q. When I am away from my workplace conducting state business and an agency contractor offers to buy me lunch, may I accept?

Frequently Asked Questions

A. No. The Gift Rule prohibition involving persons who have a business relationship with your agency generally would not permit you to accept the offered lunch. However, you would not be prohibited from accepting a refreshment of nominal value such as a cup of coffee. If you are uncertain whether an item would be considered to be something of nominal value, you should err on the side of caution and decline the offered item.

Q. I recently attended a work related convention sponsored by a vendor that does business with my agency. At the close of the convention there was a drawing for an HDTV and my number was drawn. I wasn't sure what to do so I declined the prize. Could I have accepted the TV?

A. No. You did the right thing by not accepting the prize. The Gift Rule prohibits state personnel from accepting gifts from persons, such as vendors, who have a business relationship with their agency.

Q. My daughter has recently become engaged to an employee whom I supervise. Does my daughter's engagement put me in violation of the nepotism statute?

A. Supervising your daughter's fiancé is not contrary to the State's nepotism law. However, when your daughter marries the employee and he legally becomes your son-in-law, you would generally be prohibited from directly supervising him. There are limited exceptions in the State's nepotism law that are set forth in Indiana Code 4-15-7-1(b) and (c).

You may review formal advisory opinions that the Ethics Commission has issued by visiting <http://www.in.gov/ethics/advis/>.

If you have an ethics question, [please click here](#).

Important Reminder

The deadline for filing Financial Disclosure Statements is
February 1, 2007.

[Click here](#) to see if you are required to file.

**2007
Class Dates
&
Room Numbers**

All times are from
10:00
to
11:00 a.m.

January 24
CC14

February 20
CC17

March 22
CC17

April 25
CC17

May 22
CC17

June 13
CC17

July 17
CC14

August 23
CC14

September 12
CC14

October 16
CC14

November 29
CC14

December 12
CC14

2007 Ethics Training

The State Ethics Commission offers a free Ethics Orientation class to all state officers, state employees and special state appointees in order to meet the ethics training requirements under 42 IAC 1-4-1. Agency Appointing Authorities are responsible for ensuring that new employees and special state appointees participate in ethics training within six weeks of being hired or appointed, and at least once every two years thereafter. Ethics classes are held in the State Conference Center (CC) at the following address:

Indiana Government Center South
402 West Washington Street
Indianapolis, IN 46204

Please check the State Conference Center directory the day of class as room locations are subject to change.

To register for a class, [click here](#).

You may complete ethics training online at: <http://www.in.gov/ethics/training/>

Additional classes and other special arrangements are available upon request. For more information, contact Mary Hill at (317) 233-3767 or mhill@ethics.in.gov.

42 IAC 1-4-1 Training requirements

Sec. 1.

(a) All state officers, employees, and special state appointees, shall be properly trained in the code of ethics as described in this article. All persons who have a business relationship with a state agency are obligated to abide by the code of ethics.

(b) Each agency's appointing authority shall do the following:

- (1) Require all new employees and special state appointees to participate in ethics training within six (6) weeks of the employee's starting employment and the special state appointee's appointment date with the agency.
- (2) Require all employees and special state appointees to participate in ethics training at least every two (2) years during an employee's and special state appointee's tenure with the agency.
- (3) Maintain documentation to demonstrate an employee's and special state appointee's compliance with subdivisions (1) and (2).

“Ethics is a code of values which guide our choices and actions
and determine the purpose and course of our lives.”

— Ayn Rand, Russian-American novelist and philosopher (1905-1982)